

S. Hrg. 107-199

GUAM WAR CLAIMS REVIEW COMMISSION;  
AND GUAM INCOME TAX

---

HEARING  
before the  
COMMITTEE ON  
ENERGY AND NATURAL RESOURCES  
UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

on

H.R. 308

TO ESTABLISH THE GUAM WAR CLAIMS REVIEW COMMISSION

H.R. 309

TO PROVIDE FOR THE DETERMINATION OF WITHHOLDING TAX RATES  
UNDER THE GUAM INCOME TAX

---

JULY 27, 2001

---

---

Senator Akaka. Thank you very much. I would like to ask our Senator from Delaware who is present with us for any statement he may have. Senator Carper.

**STATEMENT OF HON. THOMAS R. CARPER, U.S. SENATOR  
FROM DELAWARE**

**Senator Carper.** Thanks very much, Mr. Chairman. I have never had a chance to go to Guam with you and Senator Murkowski, but I have been to Guam many times. I went

there as a naval flight officer oftentimes in the 1970's, and as recently as the 1990's leading a congressional delegation back to Southeast Asia, and we used to have a saying--we were stationed in Okinawa for part of that period of time, and I go to Okinawa about 8 months into an 11-month drought, and they turned the water on about 1 hour out of every 48 hours in Okinawa, from midnight to 1 a.m., and turned it back off for another 2 days, and we used to go off to Guam for about a 5-day detachment and fly operation. There were surveillance flights out of Guam.

And boy, in Guam it rains about every other hour and then the sun shines, it is beautiful, but we used to say, Guam is good. We loved to go to Guam, and I am here this morning as a father who just appreciates very much Guam. I am pleased to see Ben again and to welcome him, and was a colleague of Governor Gutierrez, and I am sorry I missed Hannah but I wanted to be here for at least this last panel. I have just gotten here from Delaware, just got off the train, so I apologize for missing the earlier panels, but I wish you well, welcome, and it is nice to see you. Thank you.

Senator Akaka. Thank you very much for your comments, Senator Carper.

---

Senator Akaka. Thank you very much, Senator Murkowski, for your questions. May I call on Senator Carper?

**Senator Carper.** Thank you, Mr. Chairman. I was not familiar with either H.R. 308 or H.R. 309 prior to today's hearing, and I just want to make sure I understand what is proposed in each of these.

As I understand it, in H.R. 308, the legislation would create a commission. The job of that commission would be to gather information from a variety of sources, and to then provide a report to the Secretary of the Interior and to the Congress on its findings in a period of time, I think something less than a year, and then it would be up to the Congress and the administration as to what to do. Is that the sum and substance of it? Can either of you tell me what is the status of H.R. 308 in the House of Representatives? Has it been enacted?

Ms. Finkler. It has passed.

**Senator Carper.** It has passed, H.R. 308 has passed, okay. Thank you. With respect to--and now we are holding the hearing on it here today, and we will determine whether or not the Senate, this committee and the Senate are to act.

H.R. 309, the Guam Foreign Investment Equity Act, I understand that that legislation has passed the House of Representatives?

Mr. Michels. That is correct, in May of this year.

**Senator Carper.** Introduced this January, passed in May, and it now is getting its hearing before this committee. As I look at it, my thought was, this seems to be a bill that might fall within the purview of the Finance Committee, at least as much or more than this committee. Is there shared jurisdiction on--no? We have soul jurisdiction, okay.

Ms. Finkler. This committee has jurisdiction over territorial affairs.

**Senator Carper.** This committee has jurisdiction over territorial affairs, fair enough.

Let me just ask, what are the objections--if I may, of our witnesses, what are the objections that have been raised to H.R. 309?

Mr. Michels. I believe there was some objection from Treasury last year, but it was primarily related to, there was a trust legislation--well, the tax ability of trusts is administered by the Internal Revenue Code, but there was legislation passed locally in Guam that would rebate taxes administered to trusts based on Guam. There would be 100 percent rebate, and I believe their objections were related to those trusts, foreign trusts being on Guam, that there be a 100-percent rebate of their taxes.

**Senator Carper.** Has the current administration shared with us or with you their own views of this legislation, H.R. 309?

Mr. Michels. Yes. They are in support.

Voice. Yes, sir. The witness today tacitly endorsed----

**Senator Carper.** And when we say the witness today, it was the administration's witness. Okay, good. All right. Well, those are my questions. Again, thank you. It is good to see you, and for those in the audience who are affiliated with Governor Gutierrez, please convey to him my very best. Thank you.

Senator Akaka. Thank you very much, Senator Carper.

---